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December 22, 2014

The Honorable Jocelyn G. Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket No. 2013-275-WS Application of Carolina Water Service, Inc. for Adjustment of Rates and Charges. Referendum re Possible Interconnection of Forty Love Point and Indian Fork Subdivisions with the City of Columbia for Water Distribution Service.

Dear Ms. Boyd:

On November 20, 2014, Carolina Water Service, Inc. ("CWS") mailed an informational letter and advisory referendum ballot to its customers in the Forty Love Point and Indian Fork subdivisions requesting their opinion on a proposed interconnection with the City of Columbia and a change to water distribution service. CWS customers were given the option of returning a paper ballot by mail or casting their votes online. One vote was allowed for each account. Voting closed on December 8, 2014. A copy of CWS's explanatory letter and the ballot are enclosed with this letter.

CWS's customers in the two subdivisions were in favor of an interconnection. The overall vote was 76 in favor, and 10 against. The table below provides a detailed breakdown of the voting.

Votes Cast	Internet	Paper	TOTAL
	48	39	87
Total votes			
YES	45	31	76
NO	2	8	10
DID NOT VOTE	1	0	1
Total number of Forty Love votes cast	43	25	68
YES	41	20	61
NO	1	5	6
DID NOT VOTE	1	0	1

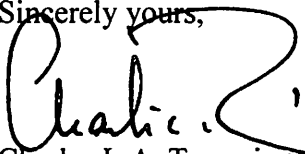
Total number of Indian Fork votes cast	5	14	19
YES	4	11	15
NO	1	3	4
DID NOT VOTE	0	0	0
	Accts	Voting	Percentage Voting
Total number of accounts	210	87	41%
Number of accounts in Forty Love	134	68	51%
Number of accounts in Indian Fork	76	19	25%

In light of the evident support among customers in the two subdivisions for a change to water distribution service, CWS is in the process of negotiating an interconnection agreement with the City of Columbia, and once terms are agreed upon, it will be submitted to the Commission for approval consistent with the feasibility study on file in this matter. We hope to have the process underway in the first quarter of 2015.

Please let us know if we can provide the Commission with additional information regarding this matter.

With best wishes, I am,

Sincerely yours,



Charles L.A. Terreni

c: Laura P. Valtorta, Esquire
Jeffrey M. Nelson, Esquire
Scott Elliott, Esquire
Mr. Richard J. Durham
Mr. Bob Gilroy



November 20, 2014

COPY

Dear Customer:

Last year, the Forty Love Point Homeowners Association and Carolina Water Service agreed to jointly explore the feasibility of establishing an interconnection with the City of Columbia's water system for the system serving the Forty Love Point and Indian Fork subdivisions. A report providing information on the feasibility and cost of an interconnection was filed with the Public Service Commission on September 11, 2014 and may be accessed at:

<http://dms.psc.sc.gov/matters/matters.cfc?Method=MatterDetail&MatterID=252491>.

If an interconnection with the City of Columbia's water system is established, Carolina Water Service would provide the two subdivisions with water purchased from the city instead of water drawn from local wells. In addition, Carolina Water Service would be able to provide fire hydrants to the Forty Love Point subdivision, but not for Indian Fork, because its older and smaller distribution lines cannot support fire hydrants.

The interconnection will result in an increase over what you are currently being billed for water. Your bill currently has two components: a monthly base facilities charge (currently \$12.49) and a commodity charge (currently \$4.72 per 1,000 gal.) After interconnection, your bill would have three components: the base facilities charge, a monthly distribution charge (currently \$2.71 per 1,000 gal.), and a commodity charge for the price of purchased water as set by the City of Columbia and passed through on a pro rata basis without mark up. Most customers would see an increase in their monthly bills from 30% to 50%, depending on their consumption, if the change to water distribution is made.

In order to gauge support for a possible transition to water distribution service with a purchased water supply, Carolina Water Service is holding an advisory referendum in the Forty Love Point and Indian Fork neighborhoods. Each customer account may vote in the referendum either by returning the enclosed ballot in the envelope provided, or voting online by visiting <https://www.surveymonkey.com/r/CWSCustomerSurvey>. Please cast only one vote per customer account on or before December 8, 2014. The results of the referendum will be provided to the Public Service Commission, which would ultimately have to approve a change in service. The change would likely take effect within six months of Commission approval.

Thank you for your consideration of this request, and for your participation in this referendum.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Durham".

Richard J. Durham
President

a Utilities, Inc. company Carolina Water Service, Inc.

ADVISORY BALLOT

Should Carolina Water Service change from providing well water service to water distribution service?

COPY

YES: _____

NO _____

Customer Name: _____

Date: _____

Account No.: _____

Address: _____

Carolina Water Service, Inc.
150 Foster Brothers Dr
West Columbia, SC 29172